

**What Have Art Fairs Brought to China: Analyzing Art Basel to the Chinese Art  
Market Under the Global Change**

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## **DEDICATIONS**

Dedicated to Mom and Dad

## TABLE OF CONTENTS

<b>ABSTRACT .....</b>	<b>5</b>
<b>INTRODUCTION .....</b>	<b>6</b>
<b>LITERATURE REVIEW .....</b>	<b>8</b>
<b>1.1. The Art Market.....</b>	<b>8</b>
1.1.1. The Structure of Art Markets .....	8
1.1.2. Main Players.....	9
1.1.3. Current Situation of the Art Market .....	11
1.1.4. Chinese Art Market.....	11
<b>1.2. Art Fairs.....</b>	<b>14</b>
<b>METHODOLOGY .....</b>	<b>16</b>
<b>2.1. Art Basel .....</b>	<b>18</b>
<b>2.2. Galleries.....</b>	<b>20</b>
2.2.1. Galerie Ora-Ora .....	20
2.2.2. Long March Space .....	22
2.2.3. MOCA Shanghai.....	23
<b>2.3. Artist and Auctioneer.....</b>	<b>24</b>
2.3.1. Artist .....	25
2.3.2. Auctioneer .....	26
<b>SPECULATION.....</b>	<b>28</b>
<b>3.1. Localization and Collaboration.....</b>	<b>28</b>
<b>3.2. Arts Education Programming.....</b>	<b>30</b>
<b>3.3. Technology Promotion Application .....</b>	<b>30</b>
<b>CONCLUSION .....</b>	<b>32</b>
<b>BIBLIOGRAPHY .....</b>	<b>33</b>

## **ABSTRACT**

This thesis focuses on the contemporary Chinese art market. Compared with the western ones, China's art market is entirely different. It might be because of China's individual policy and social characteristics. In the past few years, Chinese artists and Chinese arts have played a significant role in the international art market. The Chinese art market is not mature; yet more and more art fairs attempt to enter. An art fair is a wide platform; it plays a determinant role in the network of the galleries and the artists. What have art fairs already brought, and what will they bring to the Chinese Art Market? The thesis will try to explore the problem from the multiple perspectives of the galleries, auction houses, and artists involved.

Art Basel is one of the largest and most renowned contemporary art fairs worldwide. As such, it gives the opportunity to investigate the difference between developed western ones with the emerging Chinese art market. Every year, Art Basel hosts an art fair in three exciting venues: Basel, in the heart of Europe; Miami Beach, Florida; and, Hong Kong. What has Art Basel done to cater to the local market? What has Art Basel brought to Chinese art market in each of these areas? Some considerations must be taken in addressing issues on both the global and local scale. This thesis will summarize the influences that Art Basel bring to China and speculate the development trends of Chinese art market. Also, through the thesis, I expected to provide the sufficient reference for the art market players to discover their strategic planning.

## INTRODUCTION

The thesis is about art fairs in the Chinese art market, it will discuss the Art Basel in China.

The literature review starts with a general overview of the art market, the definition of the art market, its structure, and key features as well as the current situation of the art market, especially the current Chinese Art Market. Then, I will discuss the history and roles of art fairs as well as its impact over the past decades. Art Basel is introduced here.

The second part of the thesis focuses on methodology and analysis. Interviews and case studies are the main methods used. Since this is the third year Art Basel was held in Hong Kong and entered into the Chinese art market, it considered as an important point in time around which to frame “before and after” comparisons. Interviewing representatives of the galleries, who attended the Art Basel Hong Kong in person, on the phone and by email, is an important part of the research. Different from the western world, most Chinese art trading is concentrating in several major cities; here are three art galleries and museums from Beijing, Shanghai and Hong Kong. As a significant and competitive player in the art market, I will discuss what has changed in the auction houses over the last few years as well as the viewpoints from the artists. Together, these perspectives enable a more thorough understanding of the influences of art fairs in the Chinese art market.

In the concluding sections of the thesis, speculations of Chinese art market

development trends is discussed as well as some considerations for the art fairs going forward. Globalization and localization, education, and technology are the three directions I have thought about so far, which come from examining the resources available.

## **LITERATURE REVIEW**

### **1.1. The Art Market**

"Art is about life, the art market is about money." —Damien Hirst<sup>1</sup>

The term "art market" refers to the process through which works of art are sold and distributed. It can be viewed as a pyramid. At the broad base, the market is relatively competitive since supply is abundant, entry is free, the product is homogeneous and sellers seek to differentiate similar goods; competition hinges on variety elements rather than on price.<sup>2</sup> The art market includes artists' studios, contemporary art fairs, and art galleries. It can summarize into three categories- Fine Art, Antiques, and Art Collectibles.<sup>3</sup>

#### **1.1.1. The Structure of Art Markets**

Art markets can be classified into two layers: the primary market and the secondary market.<sup>4</sup>

##### **The Primary Market**

The primary market is the first channel for artworks entering the marketplace, generally through its artists' brokers. An artist's broker is the operator of the gallery; they sell the artist's work through the exhibition in the gallery.<sup>2</sup> The primary market is the most original part of the distributive process regarding aesthetic values and trends. It involves the highest risk for both dealers and clients because the art is on the



market for the first time and there is no information available about the works.<sup>2</sup>

### The Secondary Market

The exchange of existing artworks constitutes the secondary market. In contrast to the primary market, the participants in a secondary market are likely to be well informed about the artists and their work. Therefore, this market is much more predictable and entails less risk. Auction houses usually charge a variable fee based on the selling price, the cost of handling and any other expenses incurred, such as for an illustration in the sales catalog.<sup>3</sup>

#### 1.1.2. Main Players

Artists, collectors, galleries and dealers are the important players of the art market.

#### Artists

Artists devote their lives to making art; most artists take great pride in knowing their art is going to a prestigious museum, a prominent gallery, or a private collection.<sup>5</sup> Most of the artists represent the galleries.

Price is not considered based on the cost of materials or the amount of time it took to create a single painting; it bases on the demand and reputation of the artist and gallery/dealer.<sup>6</sup> “Art, like real estate, fashion, or fine cuisine, is worth whatever

someone is willing to pay.”<sup>5</sup> Artists themselves have limited power on the pricing of their works, needless to mention on the market functioning.

### Collectors

Collectors can build or break an artist’s career; they can do more and make more impact for an artist than critics and curators can do. They can greatly affect art galleries. The gallery, which is favored by the top collector, can be easier to get success. To some degree, collectors have the ability to change the contemporary art trends.

To be a collector requires artistic attainment, aesthetic judgment, and professional background. “An artist does not become an artist in a day, so a collector should not become a collector in a day. It is a lifetime process.”<sup>6</sup>

### Galleries

A gallery sets up shows of the artists within their stable, handles clients and inquires, and processes, filters and organizes miscellaneous data that is relevant to both the art they sell and the business of selling it.<sup>7</sup>

Choosing, mentoring and curating artists, as well as providing a strong stable of artists with developing careers is essential to a gallery’s success.<sup>8</sup>

### Dealers

There are three types of dealers. Artist-oriented dealers--- *they generally go to*

*art school and give up being an artist when they discover they have an aptitude for organizing exhibitions.*<sup>6</sup> Collector-focused dealers--- they tend to apprentice at Sotheby's or Christie's and often start out as collectors themselves. Curators' dealers--- they study art history and excel at intellectual justifications of their artists' work.<sup>6</sup>

#### 1.1.3. Current Situation of the Art Market

Globalization has come to the art market, and dealers are being forced out of their comfortable galleries in venerable art capitals like New York and London and jumping on a worldwide carousel of art fairs from Miami to Hong Kong to Basel to São Paulo.<sup>9</sup>

The global art markets pay more attention to the undeveloped countries and like what had been expected, these countries show their strong passions about the art world.

#### 1.1.4. Chinese Art Market

With the impression that China makes on the global art market, the art world is focusing on the US and China. According to The European Fine Art Foundation (TEFAF) art market report 2015<sup>10</sup>, China shared the second biggest place in the global art market with the United Kingdom, just after the United States. Auction sales in China were \$10.1 billion in 2014, accounting for 22% of the all, compared with

US's 39%.

China shared the second biggest place in the global art market with the United Kingdom, just after the United States. Auction sales in China were \$10.1 billion in 2014, accounting for 22% of the all, compared with US's 39%<sup>11</sup>.

China's collectors are competing at the highest levels of global sales, and Asian art accounted for 27% of Christie's sales<sup>12</sup>, according to artnet and CAA's 2014 report on the global art market.

Based on statistic data of many years, the problem China's Art Market faces is that Chinese collectors are heavily reliant on auction houses rather than dealers or galleries. Even though with the hold of the Art Basel Hong Kong 2013, the situation has started to change.<sup>13</sup>

Dr. Clare McAndrew, the Founder and Director of Arts Economics points out that the Chinese art market potentially faces the opposite challenge: *how it will move from being a protected domestic market supported by local sales to a more international center for global trade. The development of a strong national auction sector has been critical in growing the domestic market, which is now relatively self-sustaining; however, its continued protection and limited international exchanges will ultimately prevent it from gaining international status.*<sup>14</sup>

### Globalization of Contemporary Chinese Art

Many galleries choose to show Asian artists' artworks, some even in the entrance, a prominent place that indicates high value. Chinese and Asian artists'

artworks are beginning to attract the world's attention, and Asian collectors play a significant role in the market. Not only Asian collectors but also a lot of foreign collectors, are looking at Asian art.<sup>15</sup>

In 2013, Artprice<sup>16</sup> selected Artron<sup>17</sup> as a strategic ally, indicating an unprecedented move in the global Art Market. The two organizations have developed a thorough understanding of China's leadership ambitions with respect to the global art market. This collaboration will be able to enrich each other's areas of expertise and *will consolidate their already vital roles in the growth and development of the global art market.*<sup>15</sup>

#### Contemporary Chinese art at market/art auction

Artnet<sup>18</sup> and the China Association of Auctioneers (CAA) published their Global Chinese Art Auction Market Report, specifically taking an in-depth look at the Chinese Art and Antiques market. Chinese Art and Antiques have played an important role in the global art market for many years. In 2014, Chinese artists gained the upper hand with a total of over €590 million, represent over 39% of the global contemporary art market, compared with America's €530 million.<sup>19</sup>

Chinese collectors become increasingly active and have pushed up sales of all Chinese artwork and collectibles. Statistics from the sales between 1st July 2013 to 3rd July 2014 also suggest that Chinese artists dominated the list of the most expensive paintings sold at auction. All this seems to indicate that Chinese art market is developing healthily and going to maturing while the contemporary Chinese art will

continue to have a profound impact on the global art market.

Here is part of the rank of Top 500 contemporary artists. (Artprize year)

Rank	Artist	Country of Birth	Auction Turnover	Sold Lots	Top Hammer Price
1	BASQUIAT Jean-Michel (1960-1988)	USA	€162,277,646	85	€22,527,700
2	KOONS Jeff (1955)	USA	€115,039,516	52	€38,859,600
3	WOOL Christopher (1955)	USA	€61,759,209	54	€17,561,550
4	ZENG Fanzhi (1964)	CN	€59,608,941	64	€15,172,800
5	DOIG Peter (1959)	GB	€33,925,162	70	€10,985,920
6	PRINCE Richard (1949)	USA	€28,132,760	63	€5,451,750
7	KIPPENBERGER Martin (1953-1997)	DE	€25,902,248	71	€11,993,850
8	LUO Zhongli (1948)	CN	€24,740,054	91	€4,518,200
9	CHEN Yifei (1946-2005)	CN	€22,778,655	38	€6,638,100
10	ZHANG Xiaogang (1958)	CN	€20,785,876	42	€7,806,980
11	HARING Keith (1958-1990)	USA	€18,592,616	310	€3,058,020
12	ZHOU Chunya (1955)	CN	€17,506,383	88	€2,770,080
13	GUYTON Wade (1972)	USA	€15,003,432	29	€3,786,120
14	GROTHJAHN Mark (1968)	USA	€14,244,489	27	€3,816,225
15	HIRST Damien (1965)	GB	€12,474,905	257	€1,124,280
16	LIU Wei (1965)	CN	€12,282,183	48	€1,702,440
17	LIU Dawei (1945)	CN	€12,262,155	105	€1,741,450
18	STINGEL Rudolf (1956)	IT	€11,991,229	24	€1,566,180
19	ZHU Xinjian (1953-2014)	CN	€11,872,887	853	€272,739
20	HE Jiaying (1957)	CN	€11,314,464	73	€840,700
21	WANG Yidong (1955)	CN	€11,233,520	45	€2,161,800
22	LIU Ye (1964)	CN	€10,665,082	48	€3,508,710

## 1.2. Art Fairs

Art fairs are one of the main activities in the global market. Christian Morgner<sup>20</sup> defines art fairs as, “large organized gatherings of works of art, held at regularly spaced intervals and at particular locations, by art dealers/galleries coming from distant regions and they are visited by an international audience.”<sup>21</sup>

Art galleries represent artists and exhibit their work at fairs all over the world. These fairs expose the gallery and its artists and create and maintain relationships with key actors in the global art market.<sup>22</sup>

According to the report, in 2014, the top 22 fairs attracted over a million visitors, *sales made at art fairs accounted for a reported 40 percent of all dealer sales,*

*or an estimated EUR9.8 billion, the second largest sales channel after in-gallery transactions.*<sup>23</sup>

There are more than 180 major international art fairs held in 2014, 39 percent of which occurred in the United States, 38 percent in Europe and 12 percent in Asia.<sup>24</sup>

## METHODOLOGY

The aim of this thesis is to find out the unique situation of Chinese art market and speculate the trends as the references for both national and international art organizations to make their strategic plans. The research reveals the change and development trend of the art market, especially for China's contemporary art field, analyzing from the case of Art Basel Hong Kong as well as interviewing galleries and artists.

The interviewees are the owners or managers of art galleries and museums. Galerie Ora-Ora from Hong Kong, Long March Space from Beijing and MOCA Shanghai were selected as research subjects; all of them participated in Art Basel Hong Kong. In order to get feedback from different perspectives, interview questions are open-ended in their design. Also, articles, online discussions, reviews and other types of source documents are necessary academic support.

In the ranking of the world's ten most dynamic cities for the sale of contemporary artworks, New York came first with a total of €541 million, London and Paris came third and sixth respectively, competing with seven cities from China.



### Top 10 Cities - Contemporary Art (2013 - 2014)

Rank	City	Auction Turnover
1	NEW YORK	€ 541,331,656
2	BEIJING	€ 299,642,537
3	LONDON	€ 230,325,132
4	HONG KONG	€ 187,278,699
5	SHANGHAI	€ 39,386,327
6	PARIS	€ 23,113,570
7	GUANGZHOU	€ 21,573,242
8	NANJING	€ 19,047,333
9	HANGZHOU	€ 14,831,548
10	TAIPEI	€ 9,965,738

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Beijing, the political and cultural center of China, impressive cultural background, and numerous relics determine it as the epicentre of the Chinese market. Unique art environment makes artists yearn. Beijing is irreplaceable in the Chinese art world.

As the financial and trade center of China, Shanghai, the vibrant city, attracts many foreign friends and young artists. Shanghai is becoming a new Eldorado for the contemporary market, particularly as it has been buoyed up by the recent arrival of Christie's: the only foreign auction house to exercise its business independently in mainland China.<sup>25</sup>

Hong Kong's local art scene is less vibrant than Beijing's, but Hong Kong is a free port. Tax-free, English-speaking environment and few government restrictions, those particular characteristics determined that Hong Kong is an ideal place to buy and sell art.

Owing to the reasons above, the three cities are chosen here to analysis

Chinese contemporary art market.

## 2.1. Art Basel

*In 1970, a few gallerists from Basel put their passion and determination behind an ambitious vision, and now, over forty years later, Art Basel is recognized as the premier international art show, providing a platform for artists and gallerists from around the world.<sup>20</sup> As an international art fair, Art Basel functions as the primary global promotional platform for the galleries, allowing them access to the collectors and curators. The annual shows bring the art world together in three exciting venues: Basel, in the heart of Europe, Miami Beach at the nexus of North and South America, and Hong Kong, the gateway to Asia. Art Basel's strategy is to balance the commerce and art, and to find a win-win solution.<sup>26</sup>*

In 2015, the third edition of Art Basel in Hong Kong was held. Compared with the previous two years, Art Basel in Hong Kong moved from May to March. The show's organizers hope that the new date will be more distance from other international art fairs, like the Venice Biennale and Frieze London in May, not to mention Art Basel fairs in Switzerland in June. In this case, collectors and galleries could have more time to prepare for the art fair.

Director for Asia's Art Basel, Malaysia-born art advisor Adeline Ooi, considered Art Basel Hong Kong was a new attempt, and Art Basel has learned adaptability.<sup>27</sup> To build the brand in Asia and differentiate itself from the other Art Basel shows, the Hong Kong show maintained half of the booths from Asia, which provides the Asian artists more opportunities to promote their works in the art world.

According to the trading report 2015, some galleries sold half, even all of the works on the first preview day for VIPs (very important persons). For example, on the first preview day for VIPs, David Zwirner Gallery sold Neo Rauch's work, "Die Fremde," to a new guest from the mainland at the price of \$1 million in the last minute of the exhibition. On the second day, "Marina," another \$1 million work from Neo Rauch, was sold to a Shanghai collector. Collectors from the mainland of China showed their high enthusiasm.

Meanwhile, Art Basel Hong Kong 2015 attracted 233 galleries from 37 countries and territories. There are 29 first-time exhibitors, with 20 coming from Europe and America. More and more collectors from outside of the Asian Pacific region are attracted because they can feel the establishment and change of a new market center.<sup>28</sup> It is no doubt that global dealers have raised their interests on the Asian art scene. Exhibitors considered increasing sales and expanding their fame through this art fair.<sup>29</sup>

When talking about the global art fair ecology, Adeline Ooi thinks that the importance of art fairs around the world has grown, and they are becoming the essential place for exchange. Art Fairs are no longer playing as financial standpoints,

but also function as a gateway for galleries to meet new curators, collectors, and gallerists, to start new partnerships and share exciting programs. Many new collectors and art lovers started engaging with collecting from art fairs for the overall, comprehensive and relaxing environment provided. The positioning strategy of Art Basel Hong Kong is to help bridge the gap between Asia and other areas around the world and become the ties inside Asia.

*“We want collectors to meet galleries at the fair and then develop a long-term and sustainable relationship directly with the gallery, so they not only visit them at fairs but come to their galleries and learn about their program. In addition, we really want to provide our visitors with an overview of contemporary and Modern art from across the world at a particular moment in time.”<sup>30</sup>*

## 2.2. Galleries

Two galleries and one museum selected as the interviewees. For the two galleries, one is from Hong Kong, and another one is from Beijing while the museum is located in Shanghai. All of them have participated in Art Basel Hong Kong three times.

### 2.2.1. Galerie Ora-Ora

*Galerie Ora-Ora is a research-based Asian contemporary fine art*

*gallery specializing in Contemporary Ink, sculptures, and the discovery of emerging talents. They believe art should transcend times, and Ora-Ora or 'from era to era' embodies that mission.*<sup>31</sup>

2015 is the third year they participated in Art Basel Hong Kong. As one of the leading galleries in Hong Kong for Chinese and Western contemporary art, Henrietta Tsui-Leung, the owner of Ora-Ora and the founder and co-president of the HK Art Gallery Association was surprised to find that Westerners have tremendous interest in artworks from Hong Kong artists. Those collectors came to Hong Kong was driven by the curiosities of understanding what kind of artworks Hong Kong has, and if there is any relationship with Hong Kong's history and current development situation.

Hong Kong presents another impression since Art Basel was first held in Hong Kong three years ago. It is no longer just a "shopping paradise," but also a "leading cultural center." Arts scene has grown, and new galleries, auction houses have opened for representing the art collections. The scale of museums is growing and expanding. Because of this annual fair, March has turned into Hong Kong Art Week. There will be 150 events in the city, including free screenings of 40 films at the Hong Kong Arts Centre. It has revitalized the city as well as increased the quality of life for people who live in or near Hong Kong Island.

Obviously, Art Basel Hong Kong plays a significant role in defining Hong Kong's identity in the territory of culture and arts.<sup>32</sup> Moreover, the art world is now interested in Hong Kong Arts. Globalization of the art world is the new tendency that

can be proved, but Hong Kong should maintain its cultural identity and integrity. Not only apply to Hong Kong, but also to Mainland China.

#### 2.2.2. Long March Space

*Founded by Lu Jie in the 798 Art District of Beijing in 2002, Long March Space plays a vital role in pursuing new avenues of production, discourse and promotion of contemporary art in China. The gallery values well-established artists as its great asset and continually scouts for emerging talents. Long March Space is offering one of the most comprehensive resource platforms for the local arts community in China.*<sup>33</sup>

The founder of Long March Space, Lu Jie, indicated that they try to show the latest artworks from the resident artists. Compared to sales figures, they value communication with collectors, and they hope that through this art fair, more international collectors could appreciate these latest artworks.

Through the analysis of Art Basel Hong Kong, Lu thought that compared with previous years, Chinese collectors and art buyers are going through many transformations and more rational when facing contemporary art collections. They are no longer making a purchase decision simply for the name and fame of the artists. They began to think carefully about the status and way of thinking when the artists create the works as well as the philosophy behind the artworks, which makes the

Chinese art market is maturing now. This is no doubt the advantage for the development of the galleries.

For the galleries from the mainland of china, Art Basel Hong Kong presents an opportunity, but also a challenge. How to stand out from the competition? Consisting on delivery local art to deepen the collectors' understanding, stimulate their interests in the new works and build the long-term relationship might be the methods.

### 2.2.3. MOCA Shanghai

*Museum of Contemporary Art Shanghai (MOCA Shanghai) was founded in 2005 by the Samuel Kung Foundation as the first non-profit, independent, contemporary art institution in Shanghai.<sup>34</sup> The museum has focused on the promotion of Chinese and international contemporary art with a set of diverse exhibitions that include both well-known and fledgling contemporary Chinese artists, as well as retrospectives for leading names of the fashion and creative world.<sup>35</sup>*

As a non-profit organization, MOCA Shanghai has a position in the first floor in Art Basel Hong Kong. Gong Mingguang, the director of MOCA Shanghai, enjoys this exhibition time. He felt that its momentum is growing year after year. Galleries, artists, and collectors are satisfied to buy a lot of things.

During Art Basel Hong Kong, MOCA Shanghai brought director Gu Changwei's<sup>36</sup> work. Gu Changwei attended the event in Hong Kong on the opening day of Basel. Gongguan Zhang said, "We are different to the galleries, they want to help artists sell paintings, to survive, while we want to introduce the artists from the mainland to Hong Kong and even global audiences."

Looking back into the three years of Art Basel Hong Kong, Director Gong thinks that this is just beginning, and there is enormous potential. He knew a lot of foreign artists wanted to come to China to hold the exhibition. They hope to have a chance to show themselves rather than sell artworks.

Foreign artists reveal their great curiosities and interests about Chinese art market. Art Basel Hong Kong gives artists around the world the opportunities to present their talents and communicate with others directly, which is entirely different from the galleries.

Gong mentioned that compared with other art fairs, Art Basel Hong Kong have a great art environment. Many students, from primary to high school, visited Art Basel with their teachers. Cultivate children's art and culture quality is also the enlightenment that Art Basel brings to us.

### 2.3. Artist and Auctioneer

In order to get the different viewpoints, an artist and an auctioneer are interviewed here to discuss Art Basel Hong Kong and contemporary Chinese art



market.

### 2.3.1. Artist

*Wang Jianwei, a 1958-born artist, is one of China's most important conceptual artists investigating the themes of knowledge, society, and ideology. He is known as a cerebral artist with a strong interest in philosophy and literature.* Wang's solo exhibition had been shown and was recognized throughout Asia and Europe. In 2014, *Wang Jianwei: Time Temple* in Guggenheim Museum became his first solo exhibition in North America.<sup>37</sup>

Wang thinks that the showing function and the academic influence of Art Basel Hong Kong are more and more evident; it is no longer the art fair in the ordinary sense. Art Basel Hong Kong is a celebration for arts and culture.

As a high-level international art fair, Art Basel Hong Kong is a certain window to promote artistic achievements. On the surface, artists and galleries are the main participators, while the real competitors are art and culture achievements from different countries. For European and American art, Art Basel Hong Kong is a new battlefield. Their purposes are promoting art to Asia. The opportunities that Art Basel Hong Kong provided to the Chinese artists, especially the young artists, cannot be ignored. Wang insisted that accompanying with the huge effect of Art Basel Hong Kong; there will be an explosion of Chinese young artists. While the visitors can also get the latest art trends and explorations from those young artists.

### 2.3.2. Auctioneer

Tao Ji, the member of China's Auctioneers' Association, manager of Tianwin International Auction Co. Ltd. in Beijing, China is interviewed to talk about the recent Chinese art market after Art Basel was held in Kong Hong.

He pointed out that since the Art Basel has come to the Chinese art market, more attention focused on Chinese contemporary art. Sotheby's and Christie's in Hong Kong have added the sector of Chinese contemporary art.

"Art markets in the Western world are more mature than that in our country. Western world also has a high penetration of artistry knowledge. In some respects, Chinese art market was kept by a few rich people in the past several years."<sup>38</sup>

Artworks can be distinguished from high-end, mid-range to low-end, according to their prices. High-end artworks are usually worth million of CNYs. In 2015, Liu Yiqian paid \$170.4 Million dollars for an Amedeo Modigliani nude at a Christie's auction in New York. Only a limited number of collectors can often buy those high-end artworks; they cannot represent the hobby, taste and purchasing power of the entire mainland collectors group. The price range of mid-range artworks is from tens of thousands of CNYs to millions of CNYs. Currently, art investments and collections within this range go to connoisseurs and knowledgeable collectors. These people are the main force in the art market, they know the ways to appreciate and identify valuable works, and they are familiar with the art market's rules. They

witnessed the development of the art market, and they are its beneficiaries over the past twenty years. The low-end art market, on the other hand, sells artworks priced under tens of thousands CNYs. This is the space for beginners and public collections. The auction market is in full swing, as the high-end art market continued to create the highest prices and art fairs held in many major cities, the agglomeration effect played the role to spread art collection knowledge.

More and more people are encouraged to move into the low-end art collection fields. The Chinese art market is going to explode, and massification will be the new trend. According to the data, 65,000 people visited Art Basel Hong Kong in 2015. Contemporary art is becoming affordable and fashionable

All of these will be the excellent references for me to make the speculations of the developing trendy of Chinese contemporary art market.

## **SPECULATION**

As China's art scene is going maturing, the art world give more attention to Chinese art market. Through the analysis Art Basel Hong Kong, we get a general understanding of contemporary Chinese art market. Here will talk about some personal speculations, hoping it can be use as the reference for the art players moving forward and making their strategic planning.

The specific strategy to position itself determined the successful of Art Basel Hong Kong. Art Basel runs in their models but make changes into localization and cater to the local art market. Other art players, like galleries, should consist of showing their culture and art. Keep themselves special and cannot be replaced.

China's economy continues to grow healthy; people have more money to enrich their life and consume arts. No matter art fairs or galleries should provide better directions of arts for visitors, besides increasing the sales. In the long term, to improve their brand values and effects, to achieve success, localization and collaboration, education through arts programming and promotion through technology are perhaps the new development trends. Not only for the art fairs or galleries who want enter into Chinese art market, but also the Chinese local art players.

### **3.1. Localization and Collaboration**

With the holding of art fairs, collectors from around the world start to and

some of them have already concerned with the Chinese contemporary art market. More art organizations decide to select the Chinese art market as their new target. Localization and collaboration will continue to be the development trend under the global situation. To adapt to Chinese Art Market, these should be the primary elements to be considered, which means embrace the global perspective, but take the localized approach and seek for the local collaboration to cater to the art market.

People like to look at art fairs from the global perspective. Art Basel is a global art fair, but it is typically following the same model, from Basel, to Miami and Hong Kong. To find out the different points of the global art market is necessary. Each art fair must have their unique characteristics, same for the galleries, to get a place in the competition. Localization, to the local galleries or art fairs, is keeping them local.

Collaborate with local organizations or celebrity effect will be the right choice to get to market growing faster. For example, there is a special project in Art021 Shanghai that some celebrities will participate in the charity program. After the program, Art021 Shanghai will donate the money to Shanghai International Artistic and Cultural Foundation. The whole mode of operation is equivalent to celebrities, stars, including artists together to promote an event. Their strong social influence will attract a wider range of audience to participating in the art fair. To expand the market values and build fame, high public opinion atmosphere is important.

### 3.2. Arts Education Programming

Through the interview and analysis, it is not difficult to find that massification is the final goal for the art world. In this case, deepen the implementation of public education is imperative. On one hand, education programs within the schools and universities should continue to play their important roles effectively. Some art fairs or galleries choose to build the partnerships with the educational institution, which is a win-win strategic. These art organizations benefit from the collaboration, and young students and artists could have precious chance to enter the international art world. On the other hand, museums and galleries could carry out more activities. Art fairs and galleries should grasp the opportunities to cooperating to bridge the gap between the public and the art world.

### 3.3. Technology Promotion Application

Technology has played an indispensable role in many fields. The social media and Internet shrink the world. For artists, they could communicate with their audience in the different countries and promote exhibitions and products with a touch. They are using social media to help them to get noticed and accumulate popularity around the whole art world. In the last year, there was an astonishing number of artworks sold online.

Already, official Art Basel applications for iPhone are introduced to the public. This free phone application helps visitors navigate show floors, mark favorite pieces

or take a photo of a piece to learn more about it. A mobile app makes everything in your pocket. It will help to enhance the art fair experience.

Furthermore, most of the art fairs focus on the site activity. In fact, using the mobile app can build the effective relationship, even the art community in the future. This will be convenient both the art players and the visitors. Propagating the brand values, building the relationship with the collectors and communicating with the artists comes true.

## CONCLUSION

This masters thesis attempts to combine research regarding Art Basel and the interviews of people from the art field to explore the Chinese contemporary art market trends, meanwhile giving more suggestions and the strategic planning for art players as well as the international art fairs.

Looking forward, society and the contemporary art world will keep changing and have huge impacts on the art fairs. Globalization and localization, education through arts programming, and promotion through technology are the suggestions from the analysis.

Although the Chinese art market exists some problems, it is in a good shaping and developing steadily. We have reasons to believe that Chinese art market could overcome current challenges. The budget, spending and earning should be parts of the research. However, Art Basel never releases any sales reports and any information on the expenditure to produce the fair. To deep into the overall art market, more research still needs to be done.



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